BRITISH COLUMBIA

BC STATS Infoline

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Issue: 00-20 8 Pages
May 19, 2000

highlights

a weekly digest of recently released British Columbia statistics

Prices

- **Price increases faced by consumers in BC were the lowest in the country in April compared with a year ago.** The Consumer Price Index for BC increased 1.3% over the 12 months compared with the Canadian rate of 2.1%. The highest increases were felt in the Atlantic provinces and Alberta with PEI topping the list at 4.0%. Quebec was the second lowest after BC with a 1.7% increase. Fuel prices continued to be the largest contributor to the increases. Home heating oil prices in BC were up 29.1% while Canada-wide they were up 38.0%. Natural gas in BC increased 19.0% while nationally it increased 11.0%. Gasoline increases in BC were at the national average of 20.1%. BC prices for all-items excluding energy rose 0.4% in the 12 months. Offsetting the fuel prices, BC saw declines in food prices (-1.1%) and alcoholic beverages, particularly beer purchased in stores (-4.1%). *Source: Statistics Canada*

- **Consumer prices in Vancouver and Victoria increased 1.5% and 1.3% respectively, the smallest increases among major Canadian cities.** The highest city increases were in Charlottetown (+3.7%), Calgary (+3.5%) and Edmonton (+3.2%). *Source: Statistics Canada*

International Trade

- **BC's exports in March reached $2.6 billion, up 9.3% from a year ago.** At the same time, Canadian exports were up 16.4% and all provinces except BC and Ontario had double or triple digit increases. Newfoundland exports more than doubled, up 117.4%. while Alberta showed a 59.7% increase followed by Saskatchewan at 58.1% and PEI at 46.8%. Only Ontario had a smaller increase than BC at 6.6%. Exports of agricultural and fisheries products in BC, at $177.8 million were up 18.6% over the March 1999 level, twice the increase for that product group as for the country as a whole. BC manufactured consumer goods exports also increased significantly (21.3%) to $65.4 million while nationally there was no change. *Source: Statistics Canada*

- **Energy product exports in March were a significant contributor in many provinces to the high growth.** Saskatchewan's energy exports were up 258.2%, Newfoundland's 241.9%, Alberta's 95.3%, Quebec's 56.0%, New Brunswick's 30.6% and Ontario 25.1% from the levels of March 1999. The increase in the energy export value across Canada was 83.9%. Machinery and equipment exports also showed strong gains over a year ago, up 24.8% in Canada. Large increases were shown in Manitoba (+82.5%), Alberta (+71.2%) and Quebec (+38.4%). Industrial goods exports, up nationwide by 15.8%, showed the largest increases in Manitoba 36.6%, Saskatchewan 27.6%, Newfoundland 22.6% and Alberta 17.0%.

  BC had more than a third of the country's forest product exports but the largest gains were made in other provinces. While BC forestry exports were up 10.7%, those in Manitoba were up 36.3%, Saskatchewan 27.6%, Newfoundland 22.6% and Alberta 17.0% over the March 1999 levels. *Source: Statistics Canada*

Domestic Trade

- **Retail sales in BC rose 0.4% (seasonally adjusted) in March, the lowest monthly increase among the provinces with the exception of PEI (-1.3%).** The strongest showings in March came from New Brunswick with sales up 5.1% and Quebec, up 3.5%. Canadian sales were up 2.1% in March. *Source: Statistics Canada*

Report **International Travel Entries in the 1990s**

Did you know...
Calgarians appear to be the most wired in Canada with 60% of households regularly on the internet.

- **New motor vehicles sales in BC stood at 15,475 units in March, 2.6% above the level of a year earlier.** At the same time, the value of these sales was up 8.4%. Sales were particularly strong in eastern Canada, with units sold in Nova Scotia up 13.9%, New Brunswick, 12.6%, and Quebec, 12.3%. Prince Edward Island reported a significant decline at 14.2%. Across Canada vehicles sales were up 7.6%. *Source: Statistics Canada*

- **Passenger car sales in BC were responsible for the gain (6.0%) in March, while trucks, vans, SUVs and commercial vehicles unit sales remained unchanged over March 1999.** And, although North American manufactured cars account for more than a third of car sales, all the increase was in those manufactured overseas (+31.6%). The average price in March of a North American manufactured passenger car was 5.8% above the March 1999 level, while overseas manufactured car prices declined 0.1%. Average prices for trucks, vans, SUVs and commercial vehicles were up 6.0% for North American manufactured and 6.7% for overseas manufactured. This may reflect the model mix each year as well as actual price change. *Source: Statistics Canada*

- **BC wholesalers saw a 2.6% (seasonally adjusted) increase in sales in March, following a decline in February.** Only Quebec (+4.7%) and Alberta (+2.8%) had stronger monthly increases. The Atlantic provinces and Manitoba all showed small monthly declines. Canadian wholesalers overall recorded a 2.0% increase.
Source: Statistics Canada

Manufacturing

- **Manufacturers' shipments rose 3.5% (seasonally adjusted) in March in British Columbia, slightly below the Canadian increase of 3.8%.** In fourth place, BC followed PEI with an increase of 6.0%, Ontario with 4.8% and Alberta with 4.5%. Only Newfoundland showed a decline (-4.6%).

  The sectors that experienced the greatest strength in BC were fabricated metals, up 14.6% in March after a decline in February, chemicals up 12.8% continuing four months of increases, and transportation equipment up 10.5% in a second month of double-digit growth. Both food and beverage processors reported declines in factory shipments. Food shipments in March were down 1.1% and were below levels attained in all but four months out of the last twelve. Beverage shipments declined 0.8%, the second monthly drop. Solid wood product manufacturers' shipments grew 2.2% in the month generally continuing the upward trend that began in mid-1998. Pulp and paper industries sales rose 4.4% following a slight decline in February.
Source: Statistics Canada

New Business

- **There were 1,513 new companies incorporated in BC in April, 20.2% less than the number incorporated in April 1999.** Two hundred and four extra-provincial companies registered in the province, up from 192 a year earlier. Partnership registrations were down 29.0% to 1,386. *Source: Ministry of Finance & Corporate Relations*

Tourism

- **Automobile traffic to BC from the USA brought 378,245 visitors staying one or more nights in the first quarter 2000, up 5.6% from the same period in 1999.** US visitors travelling by other means numbered 200,000, 9.0% less than last year. Visitors from other countries increased 5.9%. The US accounted for 72.8% of overnight travellers. At the same time, Canadians returning to BC from overnight travel in the USA increased by 2.6%. Although it's a fairly even split between automobile and non-automobile travel, automobile traffic was up 13.3% while other means of travel declined 6.7%. Returning Canadians to BC from other countries increased only marginally by 0.3%.
Source: SC, Cat. 66-001-PIB

Alcohol Sales

- **Beer sales in BC in the fiscal year ending March 31, 2000 were 256.5 million litres, down 2.6% from the previous year.** Imported beer, which accounted for 5.6% of sales, showed an increase of 8.5%. Total sales of spirits were up 1.4%, while imported spirits sales, with about a third of the market, increased 3.7%. Wine showed the opposite trend, with the total volume sales up 3.5% and domestically produced wine up 4.9%. Licensee sales account for 15.0% of spirits sales, 19.7% of wine sales and 32.6% of beer sales. By value, liquor store sales to consumers and licensees were $2 billion in the last fiscal year.
Source: BC Liquor Distribution Branch Quarterly Market Report

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

May 19, 2000

Infoline Report: International traveller entries in the nineties

Contact: Martin Monkman / (250) 387-0360

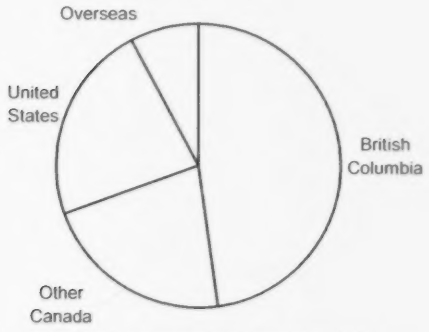
Originally published in March 2000 issue, *Business Indicators*. Annual subscription: $60 + GST

Tracking international travel to BC

British Columbia's tourists come from all over the world. Many travellers land on our shores from far-flung countries, some are our neighbours from the United States, and others are fellow Canadians—including British Columbians who travel within the province.

Tourism BC has estimated that international travellers account for roughly 1/3 of all overnight tourists in BC. International travellers make longer trips and spend somewhat more per day, so they are responsible for just over 2/5 of the spending by tourists.

International travellers are less than half of the BC tourism pie[1]



Number of overnight tourists, 1999
(total: 22.3 million)

International traveller entries

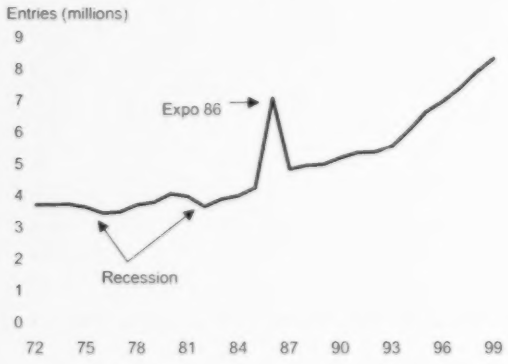
While they aren't as big a component of tourism in BC as Canadians, international travellers are a lot easier to count. When entering into Canada at the border or an airport, Customs officers count them, and Statistics Canada then tabulates and publishes the data. When Canadians travel within the country, they are able do so with impunity—but this means there is no way of directly tracking their movements. As a result, the domestic travel habits of Canadians are measured through a variety of survey mechanisms that are subject to varying degrees of imprecision.

But while international visitor entries are relatively easy to count, they are not a perfect measure of international tourism in BC. Travellers who enter Canada via another province prior to coming to BC (primarily Europeans) are missed, and those who clear Customs in BC and promptly travel on to another province (those from the Pacific Rim) are counted. Still, entries provide a solid foundation of trends and volumes to analyze.

Long term trend: up, up, up

Last year, 8.3 million non-residents entered Canada through BC ports of entry, 5.4% more than in 1998. The annual increase recorded in 1999 was merely the latest jump in a long period of sustained growth. There have only been a few times when international traveller entries have fallen from one year to the next. The last time was in 1987, the year following the unprecedented boom associated with Expo 86, and before that, in 1981 and 1982, during a protracted North American economic recession.

International entries have been growing for two decades, booming in the 90s



US entries dominate

American travellers dominate international travel to BC. In 1999, eight of every ten international travellers who came to Canada via BC were Americans. These Americans are split roughly 50/50 between same day (3.3 million in 1999) and overnight (3.6 million) travellers. This compares with 1.4 million travellers from all other countries of the world, led by Japan (284,000 entries) and the UK (207,000).

[1] Source: Tourism BC.

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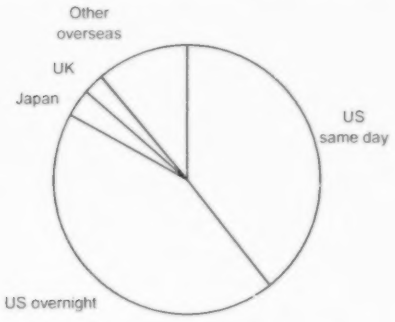
US dominates international travel to BC



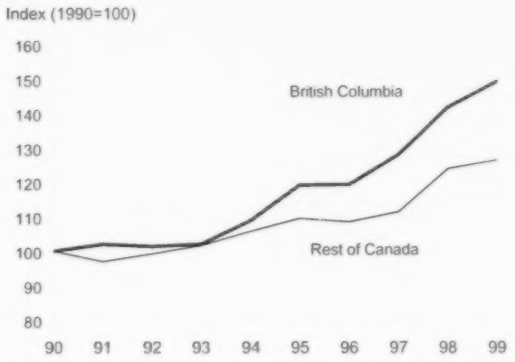
Total entries to Canada via BC, 1999
(total: 8.3 million)

Entries from the US were up 4.8% in 1999, as growth cooled from the 11.1% increase seen in 1998. And in spite of dipping slightly in 1992, the number of Americans entering Canada via BC grew at an annual average rate of 5.0%[2] during the nineties, an unprecedented period of expansion.

In 1999, overnight entries (+5.3%) outpaced same-day (+4.2%) travel from the US. In the rest of Canada, same-day travel from the US was little changed from 1998 (+0.9% to 26.6 million).

Overnight visitors account for a larger share of Americans coming to BC than in the rest of Canada. BC is the point of entry for only one of every ten Americans who enter Canada on a same-day trip, but one quarter of the overnight visitors. To put it another way, American overnight travellers cross the border into BC in roughly the number as same-day travellers, while in the rest of Canada same day travellers outnumber their overnight counterparts by more than two to one.

Overnight entries from US: BC outpaces rest of Canada



Furthermore, BC's share of overnight visitors has grown dramatically over the past decade, as overnight entries to BC from the US have frequently outpaced entries to the rest of Canada. 1999 was no exception, with overnight entries to BC jumping 5.3%, and the rest of Canada advancing a relatively modest 2.0%.

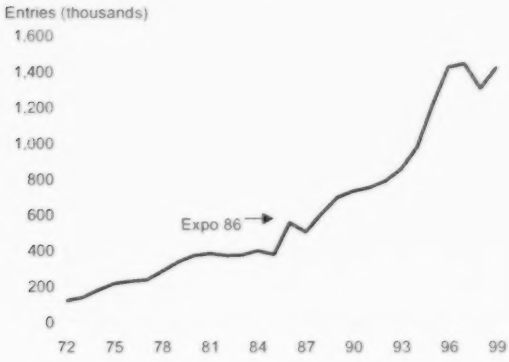
Overseas travel: a mixed bag

Entries from countries other than the US picked up in 1999 (+8.6%), following a 9.4% decline in 1998 and a modest 1.3% jump in 1997. Through the nineties, travel from overseas countries was more volatile than from the US. After solid growth in the early part of the decade, travel boomed from 1994 through 1996, only to stagnate and fall in 1997 and 1998, in large part due to the Asian economic crisis. Through the whole ten year period, however, growth has averaged 7.7%[3], nearly doubling the number of overseas residents entering Canada via BC.

[2] Compound rate.

[3] Compound rate.

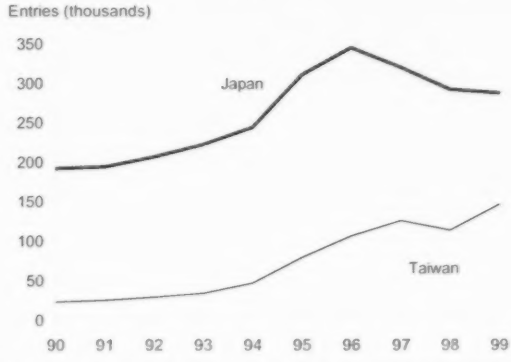
Entries from overseas: the nineties saw a phenomenal increase



Asia: Japan continues slide, smaller nations pick up the slack

In 1999, entries from Asia (+9.7%) recovered after falling nearly a fifth (-18.2%) in 1998. This recovery came in spite of the fact that the number of travellers from Japan—the largest source of overseas entries to BC—was down for the third straight year. Entries from Hong Kong were also off in 1999, but substantial recoveries in the number of Taiwanese and South Koreans buoyed the regional total.

Taiwan closing the gap with Japan



While 1998 was a grim year for businesses in BC that cater to Asian travellers, it was far worse in other parts of Canada where Asian entries tumbled by a quarter, and 1999's recovery was nowhere near as substantial.

It is interesting to note that entries to BC from Asian countries more than doubled between 1990 and 1999 (720,000 to 1.4 million), while entries to the rest of Canada are now below 1990's level (falling from 612,000 to 582,000). Some of this shift may be attributed to Vancouver International Airport's improved air connections, enhancing its status as a gateway to North America from the Far East. But there may also be an element of increased tourism to BC, notably winter holidays that include trips to the ski resorts in western Canada, Whistler in particular.

Europe: up for the first time in three years

For the first time since 1996, entries from Europe were up (+7.8%). European entries to the rest of Canada also grew (+3.3%) in 1999 after having fallen for two consecutive years. Unlike Asia, growth was spread across all of the major sources of European travellers. In 1999 the number of entries from the UK surpassed the 200,000 mark for the first time (+12.2%). German entries were up (+4.4% to 115,000), but were still below the high posted in 1996 (134,000).

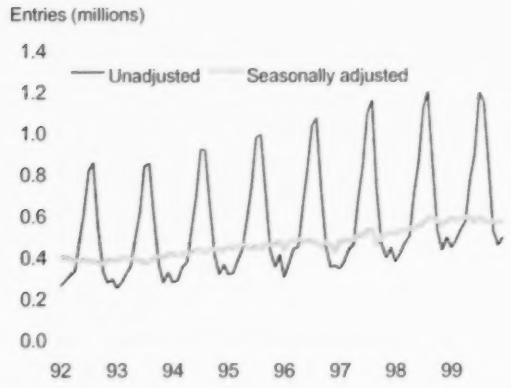
The short story on 1999 was that US entries cooled and overseas entries recovered. But there were interesting trends through the year that give some hints as to what we might expect to see in 2000. Seasonal adjustment of the data reveals those short term trends.

Seasonality in tourism

Tourism in BC is a profoundly seasonal phenomenon. How seasonal is it? In the peak month of July, nearly three times as many international travellers entered Canada via BC as in the slowest month, January. And nearly half of the year's total entered in the four months of June through September.

Comparing one month's performance to the same month of the previous year (say, January 2000 over January 1999) is one way to assess how tourism is doing. But that approach ignores what's been going on in the intervening eleven months. And in a dynamic sector like tourism, eleven months can be a long, long time.

Seasonal adjustment averages out the summer peaks and winter valleys



Seasonal adjustment gives us a method of comparing one month to the previous month, by removing the regular and predictable seasonal fluctuations that occur. Changes from the normal seasonal patterns are revealed in the seasonally adjusted data series.

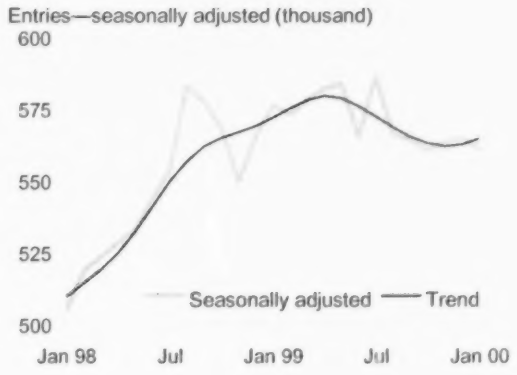
Dynamics in tourism

Tourism is subject to big seasonal swings, thus making seasonal adjustment an important analytical tool. But other factors can create irregular changes in the volume of tourism activity. While tourism in BC has been trending upward over the long term, there can be specific events that precipitate dramatic short term changes in the sector's performance. As we saw in 1998, a shift in exchange rates between Canada and the US can lead to some rapid changes in the number of people who travel across the border. A special event, such as Expo '86, the APEC Summit in November 1997, and more recently the Royal BC Museum's Leonardo da Vinci exhibit of October 1998 through March 1999, can also generate a quick increase in the number of tourists visiting an area. On the other hand, a sudden economic downturn, as the one that occurred in Asian countries in 1998, can lead to a sharp drop in the number of tourists.

US entries in 1999

Averaging just over 500,000 entries per month in the early part of 1998, the number of US entries shot up, hitting 583,000 in August. Growth slowed, and peaked in July 1999 at 586,000. Since then, entries have slipped back, and have remained in the vicinity of 560,000 US entries per month.

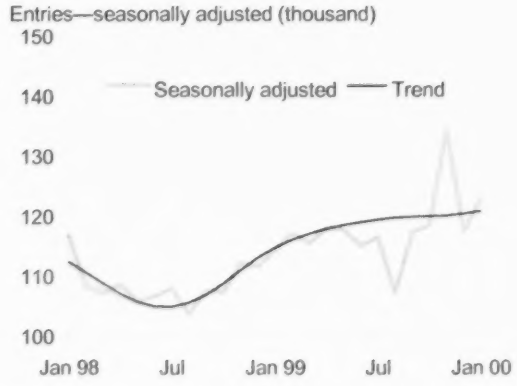
US entries peaked in mid-1999



Overseas entries on the upswing

Overseas entries have not yet fully recovered from 1998's slump, but if recent growth rates are sustained the numbers will soon replicate the peak volumes recorded in 1997. After bottoming out in August 1998 at 104,000, the number of overseas entries to BC has been trending gently upwards in the months since. Significantly, November's volume of 134,000 overseas entries represented a new peak, although the level quickly dropped back to the 120,000 level.

Overseas entries are trending gently up



While we often refer to overseas entries as a homogenous group, the trend in entries often varies from one country to another even within one region of the world. A case in point is Asia, where the recent economic woes afflicted the countries in the region in varying degrees, which translated into different travel patterns.

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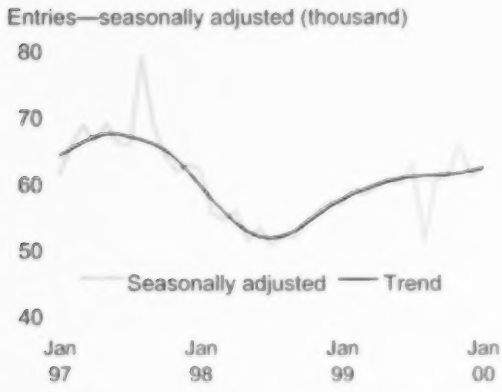
After peaking at 79,000 in August 1997, entries from Asia slumped through 1998, bottoming out in July of that year (at 51,000). A recovery was evident by late 1998, but through the end of 1999 entries from Asia have held in the low 60,000s.

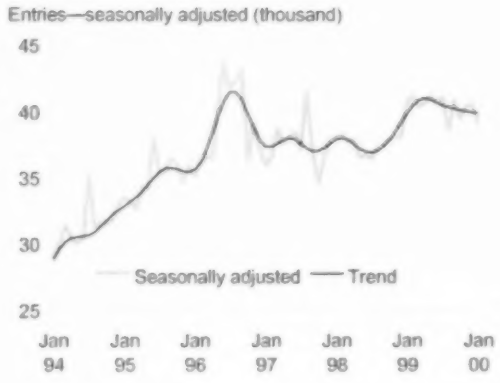
Asian entries: recovering slowly



This steady recovery disguises the fact that entries from Japan continued to drift downward throughout 1999, while the number of entries from Taiwan has been on the upswing since mid-1998.

While comparing 1999's total with that of 1998, European entries were up. However, strong growth in the first few months of 1999 was not sustained, and the number of entries slipped through most of the year.

European entries: a downward trend in the offing?



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Infoline

May 19, 2000

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BC at a glance . . .

POPULATION (thousands)	Jan 1/00	% change on one year ago
BC	4,043.7	0.9
Canada	30,606.7	0.9
GDP and INCOME		
(BC - at market prices)	1998	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Mar	3,472	15.6
Merchandise Exports (raw) Mar	2,619	9.3
Retail Sales (seasonally adjusted) Mar	2,915	5.6
CONSUMER PRICE INDEX		
(all items - 1992=100)	Apr '00	% change on one year ago
BC	112.4	1.3
Canada	112.4	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	Apr '00	% change on one year ago
Labour Force - BC	2,081	-0.1
Employed - BC	1,938	2.0
Unemployed - BC	143	-21.9
		Apr '99
Unemployment Rate - BC *(percent)*	6.9	8.8
Unemployment Rate - Canada *(percent)*	6.8	8.2
INTEREST RATES (percent)	May 17/00	May 19/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	6.20
- 5 year	8.55	7.15
US/CANADA EXCHANGE RATE	May 17/00	May 19/99
(avg. noon spot rate) Cdn $	1.4987	1.4659
US $ *(reciprocal of the closing rate)*	0.6678	0.6811
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Apr '00	% change on one year ago
BC	635.93	3.4
Canada	612.24	3.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Electoral District Profiles

BC STATS has published a detailed review of the Provincial Electoral Districts (PED) that will be contested for the first time in the next general election. The new PEDs are the result of a rebalancing of the districts, proposed by the *Electoral Boundaries Commission* in June of 1999, and subsequently adopted by the Legislature. Four new ridings were added to bring the total to 79.

Provincial Electoral District Profiles, March 2000, organises the results of the 1996 Census within the new provincial ridings. A graphic profile page for each PED compares various census characteristics between the riding and the province. Sixty-two data tables reveal how groups of characteristics compare across all the ridings. Notes, maps, a glossary and an index help to make the information accessible. The spiral-bound and tab divided printed edition is a handy reference document that may be slipped into a briefcase.

The entire publication, including additional tables not published in the book, may be found on our Internet site. See the first item under **Popular Topics** on the left side of our home page. Users require Acrobat to view and print the charts. The tabular data is available in **csv format** for downloading.

Printed copies are $60, plus tax.

Contact Kris Ovens (250) 387-0359

Released this week by BC STATS

- Consumer Price Index, April 2000

Next week

- Quarterly Regional Statistics, First Quarter 2000
- Business Indicators, May 2000
- Current Statistics, May 2000

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